



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1746

Introduced 2/26/2021, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

New Act

35 ILCS 145/2	from Ch. 120, par. 481b.32
35 ILCS 145/3	from Ch. 120, par. 481b.33
35 ILCS 145/3-2 new	
35 ILCS 145/3-3 new	
35 ILCS 145/4	from Ch. 120, par. 481b.34
35 ILCS 145/5	from Ch. 120, par. 481b.35
35 ILCS 145/6	from Ch. 120, par. 481b.36
65 ILCS 5/8-3-13	from Ch. 24, par. 8-3-13
65 ILCS 5/8-3-14	from Ch. 24, par. 8-3-14
65 ILCS 5/8-3-14a	
55 ILCS 5/5-1030	from Ch. 34, par. 5-1030

Creates the Short-Term Rental Operators' Occupation Tax Act. Imposes a tax upon persons engaged in the business of short-term rental at the rate of 5% of 94% of the gross rental receipts from such renting, leasing or letting. Imposes an additional tax at the rate of 1% of 94% of the gross rental receipts from such renting, leasing or letting. Provides that operators of short-term rentals shall obtain a business license from the Department of Revenue. Provides that receipts that are subject to tax under the Hotel Operators' Occupation Tax Act are not subject to tax under the Short-Term Rental Operators' Occupation Tax Act. Amends the Hotel Operators' Occupation Tax Act. Provides that re-renters of hotel rooms who meet certain criteria related to gross receipts or number of transactions are required to collect and remit the tax under the Act. Provides that a "re-renter" is a person who obtains from a hotel operator the right or authority to control the access to, or occupancy of, a hotel room located in this State and who resells the right to occupy that room. Effective October 1, 2021.

LRB102 16057 HLH 21429 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Short-Term Rental Operators' Occupation Tax Act.

6 Section 5. Definitions. As used in this Act:

7 "Booking transaction" means a transaction in which a
8 hosting platform collects or receives compensation for
9 facilitating a rental of a short-term rental located in this
10 State by directly or indirectly allowing a reservation to be
11 made for an occupant or collecting or processing payments
12 through the hosting platform's application, software, website,
13 or system.

14 "Department" means the Department of Revenue.

15 "Hosting platform" means a person who provides an
16 application, software, website, or other online, offline, or
17 in-person system through which a short-term rental located in
18 this State is advertised or held out to the public as available
19 to rent for occupancy.

20 "Operator" means any person operating a short-term rental.

21 "Occupancy" means the use or possession, or the right to
22 the use or possession, of any room or rooms in a short-term
23 rental for any purpose, or the right to the use or possession

1 of the furnishings or to the services and accommodations
2 accompanying the use and possession of the room or rooms, by an
3 occupant.

4 "Permanent resident" means any person who occupied or has
5 the right to occupy any room or rooms, regardless of whether or
6 not it is the same room or rooms, in a short-term rental for at
7 least 30 consecutive days.

8 "Person" means any natural individual, firm, partnership,
9 association, joint stock company, joint adventure, public or
10 private corporation, limited liability company, or a receiver,
11 executor, trustee, guardian or other representative appointed
12 by order of any court.

13 "Rent" or "rental" means the consideration received for an
14 occupant's occupancy, valued in money, whether received in
15 money or otherwise, including all receipts, cash, credits and
16 property or services of any kind or nature.

17 "Room" or "rooms" means any living quarters, sleeping or
18 housekeeping accommodations.

19 "Short-term rental" means an owner-occupied,
20 tenant-occupied, or non-owner-occupied dwelling including, but
21 not limited to, an apartment, house, cottage, condominium, or
22 furnished accommodation that is not a hotel as defined in the
23 Hotel Operators' Occupation Tax Act, where: (i) at least one
24 room in the dwelling is rented to an occupant for a period of
25 less than 30 consecutive days; and (ii) all accommodations are
26 reserved in advance; provided, however, that a dwelling shall

1 be considered a single room if rented as such. This definition
2 does not include:

3 (1) any dormitory or other living or sleeping facility
4 maintained by a public or private school, college, or
5 university for the use of students, faculty, or visitors.

6 (2) any facility certified or licensed and regulated
7 by the Department of Human Services or Department of
8 Public Health;

9 (3) any room in a condominium, cooperative, or
10 timeshare plan and any individually or collectively owned
11 single-family or multi-family dwelling house or room in
12 such dwelling that is rented for a period of at least 30
13 consecutive days and that is not advertised or held out to
14 the public as a place regularly rented for periods of less
15 than 30 consecutive days;

16 (4) any migrant labor camp or residential migrant
17 housing permitted by the Department of Public Health;

18 (5) any nonprofit organization that operates a
19 facility providing housing only to patients, patients'
20 families, and patients' caregivers and not to the general
21 public; or

22 (6) any apartment building inspected by the United
23 States Department of Housing and Urban Development or
24 other entity acting on behalf of the United States
25 Department of Housing and Urban Development that is
26 designated primarily as housing for persons at least 62

1 years of age. The Department may require the operator of
2 the apartment building to attest in writing that such
3 building meets the criteria provided in this subparagraph.
4 The Department may adopt rules to implement this
5 requirement.

6 Section 10. Rate; exemptions.

7 (a) A tax is imposed upon short-term rental operators at
8 the rate of 5% of 94% of the gross rental receipts from such
9 renting, leasing, or letting.

10 (b) There shall be imposed an additional tax upon
11 short-term rental operators at the rate of 1% of 94% of the
12 gross rental receipts from such renting, leasing, or letting.

13 (c) The tax is not imposed upon the privilege of engaging
14 in any business in Interstate Commerce or otherwise, which
15 business may not, under the Constitution and statutes of the
16 United States, be made the subject of taxation by this State.
17 In addition, the tax is not imposed upon gross rental receipts
18 for which the short-term rental operator is prohibited from
19 obtaining reimbursement for the tax from the customer by
20 reason of a federal treaty.

21 (d) The tax imposed by this Act shall not apply to gross
22 rental receipts received by an entity that is organized and
23 operated exclusively for religious purposes and possesses an
24 active Exemption Identification Number issued by the
25 Department pursuant to the Retailers' Occupation Tax Act when

1 acting as a short-term rental operator renting, leasing, or
2 letting rooms as follows:

3 (1) in furtherance of the purposes for which it is
4 organized; or

5 (2) to entities that (i) are organized and operated
6 exclusively for religious purposes, (ii) possess an active
7 Exemption Identification Number issued by the Department
8 pursuant to the Retailers' Occupation Tax Act, and (iii)
9 rent the rooms in furtherance of the purposes for which
10 they are organized.

11 No gross rental receipts are exempt under paragraph (2) of
12 this subsection unless the short-term rental operator obtains
13 the active Exemption Identification Number from the
14 exclusively religious entity to whom it is renting and
15 maintains that number in its books and records. Gross rental
16 receipts from all rentals other than those described in items
17 (1) or (2) of this subsection are subject to the tax imposed by
18 this Act unless otherwise exempt under this Act.

19 (e) Persons subject to the tax imposed by this Act may
20 reimburse themselves for their tax liability under this Act by
21 separately stating such tax as an additional charge, which
22 charge may be stated in combination, in a single amount, with
23 any tax imposed by any unit of local government.

24 (f) If any short-term rental operator or a hosting
25 platform acting as an agent collects an amount (however
26 designated) which purports to reimburse such operator for

1 short-term rental operators' occupation tax liability measured
2 by receipts which are not subject to short-term rental
3 operators' occupation tax, or if any short-term rental
4 operator or a hosting platform acting as an agent, in
5 collecting an amount (however designated) which purports to
6 reimburse such operator for short-term rental operators'
7 occupation tax liability measured by receipts which are
8 subject to tax under this Act, collects more from the customer
9 than the operators' short-term rental operators' occupation
10 tax liability in the transaction is, the customer shall have a
11 legal right to claim a refund of such amount from such operator
12 or hosting platform. However, if such amount is not refunded
13 to the customer for any reason, the short-term rental operator
14 or hosting platform is liable to pay such amount to the
15 Department.

16 (g) The tax imposed under this Act shall be in addition to
17 all other occupation or privilege taxes imposed by the State
18 of Illinois or by any municipal corporation or political
19 subdivision thereof, except that any rental receipts subject
20 to tax under the Hotel Operators' Occupation Tax Act shall not
21 be subject to the tax imposed under this Section.

22 Section 15. Hosting platform collection and remittance of
23 taxes.

24 (a) Any hosting platform that facilitates a booking
25 transaction shall be required to act as the relevant

1 short-term rental operator's agent and: (i) assess, collect,
2 report, and remit the tax to the appropriate taxing body; (ii)
3 maintain records of any taxes collected that have been
4 remitted to the appropriate taxing body and submit these
5 records to the Department in accordance with this Act; and
6 (iii) notify the short-term rental operator that the operator
7 must comply with all applicable local, State, and federal
8 laws, regulations, and ordinances, including this Act.

9 (b) A hosting platform that facilitates a booking
10 transaction shall provide notification within a reasonable
11 time to the relevant short-term rental operator that the tax
12 has been collected and remitted to the appropriate taxing
13 body. The notification must be delivered in hand, by mail, or
14 conveyed electronically by electronic message, mobile or smart
15 phone application, or another similar electronic process,
16 digital media, or communication portal. A short-term rental
17 operator shall not be responsible for collecting and remitting
18 taxes for which the operator has received notification from a
19 hosting platform that the excise has been collected and
20 remitted to the taxing body on their behalf.

21 (c) A hosting platform acting as an agent of a short-term
22 rental operator in accordance with subsection (a) shall
23 provide notification to the Department in a manner prescribed
24 by the Department.

25 Section 20. Hosting Platforms.

1 (a) It is unlawful for any hosting platform to facilitate
2 a booking transaction for a short-term rental located in this
3 State unless the hosting platform:

4 (1) is first registered with the Department in
5 accordance with subsection (d); and

6 (2) as a condition of registration with the
7 Department, has obtained written consent from all
8 operators with short-term rentals located in this State
9 who intend to short-term rent such dwelling or room within
10 such dwelling through the platform, for the disclosure of
11 the information required under, and the furnishing of such
12 information in accordance with, Section 25 of this Act.

13 (b) It is unlawful for any hosting platform to facilitate
14 a booking transaction for a short-term rental located in this
15 State if the dwelling or room within the dwelling is not
16 lawfully registered, licensed, permitted, or otherwise allowed
17 as a short-term rental pursuant to an applicable local, State,
18 or federal law, regulation, or ordinance, including this Act,
19 at the time it is rented.

20 (c) A hosting platform shall designate and maintain on
21 file with the Department an agent for service of process in
22 this State.

23 (d) The Department may issue a certificate of registration
24 to each hosting platform that meets the requirements of this
25 Act and the rules for hosting platform registration adopted
26 thereunder by the Department.

1 Section 25. Records and reporting.

2 (a) Notwithstanding any other provision of law or
3 Department action to the contrary:

4 (1) Every operator shall keep separate books or
5 records of the operator's business so as to show the rents
6 and occupancies taxable under this Act separately from the
7 operator's transactions not taxable under this Act. If any
8 operator fails to keep such separate books or records, the
9 operator shall be liable to remit the tax at the rate
10 designated in this Act upon the entire proceeds from the
11 short-term rental. The Department may adopt rules that
12 establish requirements, including record forms and
13 formats, for records required to be kept and maintained by
14 taxpayers. For purposes of this Section, "records" means
15 all data maintained by the taxpayer, including data on
16 paper, microfilm, microfiche or any type of
17 machine-sensible data compilation.

18 (2) In accordance with rules adopted by the Department
19 and subject to applicable laws, for all booking
20 transactions it facilitates for short-term rentals located
21 in this State a hosting platform shall develop and
22 maintain a report that must include all of the following
23 information about each short-term rental booking
24 transaction:

25 (A) the name of the operator;

1 (B) the operator's or short-term rental's license,
2 registration, permit, or other number as applicable;

3 (C) the physical address;

4 (D) any room or dwelling designation;

5 (E) the individual periods of rental by calendar
6 date;

7 (F) the itemized amounts collected or processed by
8 the hosting platform for the rental, taxes, and all
9 other charges; and

10 (G) any additional information that the Department
11 may require by rule.

12 (b) The hosting platform shall submit the report to the
13 Department monthly in the format requested by the Department
14 and shall make the report available for audit by the
15 Department upon request, as well as any underlying records
16 requested by the Department. The Department may issue and
17 serve subpoenas and compel the production of the report and
18 underlying records as necessary to enforce hosting platform
19 compliance with this Section. Such underlying records may not
20 include copies of specific message exchanges between the
21 hosting platform and an operator, short-term rental renter, or
22 occupant, or between the operator and short-term rental renter
23 or occupant.

24 (c) The hosting platform shall maintain the report and
25 underlying records for at least 7 years, in accordance with
26 any rules adopted by the Department.

1 (d) The Department shall share the report, sections of the
2 report, underlying records, or any combination of those items,
3 with an agency or local government of this State to ensure
4 compliance with this Act, the laws of this State, and any local
5 laws, regulations or ordinances.

6 (e) The Department may use the report and underlying
7 records for tax auditing purposes and local governments may
8 use the reports and underlying records to ensure compliance
9 with laws, ordinances, or regulations.

10 (f) A hosting platform may not facilitate a booking
11 transaction for a rental of a short-term rental located in
12 this State unless the operator consents to the hosting
13 platform's disclosure of the information required by this
14 Section.

15 (g) A hosting platform that has operated or is operating
16 in violation of this Act, or the rules of the Department, shall
17 be subject to fines up to \$1,000 per offense and to suspension,
18 revocation, or refusal of a registration issued pursuant to
19 this Act. For purposes of this subsection, the Department may
20 regard as a separate offense each transaction a hosting
21 platform processes, or each day a hosting platform operates,
22 in violation of this Act or the rules of the Department.

23 Section 30. State business licensing.

24 (a) Before an operator engages in the business of a
25 short-term rental in this State, the operator shall obtain a

1 business license from the Department. In order to obtain a
2 business license from the Department, the operator must first
3 provide evidence to the Department that the short-term rental
4 is lawfully registered, licensed, permitted, or otherwise
5 allowed to operate as a short-term rental pursuant to the
6 applicable local law, regulation, or ordinance.

7 (b) An operator's business license number issued by the
8 Department must be displayed on any advertisement or listing
9 of a short-term rental and be physically displayed within the
10 short-term rental.

11 (c) If the Department notifies a hosting platform in
12 writing that an advertisement or listing for a short-term
13 rental in this state fails to display a valid business license
14 number issued by the Department, the hosting platform must
15 remove all advertisements or listings for that short-term
16 rental from its online application, software, website, or
17 system within 3 business days unless the listing is otherwise
18 brought into compliance with the law.

19 (d) The Department shall revoke or refuse to issue or
20 renew a short-term rental operator's business license when:
21 (i) the Department determines that the operation of the
22 subject short-term rental violates the terms of an applicable
23 lease or property restriction; or (ii) the Department
24 determines that the operation of the short-term rental
25 violates a State, federal, or local law, ordinance, or
26 regulation, or the short-term rental operator is the subject

1 of a final order or judgment lawfully directing the
2 termination of the premises' use as a short-term rental.

3 Section 35. Filing of returns and distribution of
4 proceeds.

5 Except as provided in this Section, on or before the last
6 day of each calendar month, every operator or agent in this
7 State shall file a return for the preceding calendar month
8 with the Department, stating:

9 (1) the name of the operator;

10 (2) the operator's residence address and the address
11 of his principal place of business and the address of the
12 principal place of business (if that is a different
13 address) from which he engages in the business of renting,
14 leasing or letting rooms in a short-term rental in this
15 State;

16 (3) the total amount of rental receipts received by
17 the operator during the preceding calendar month from
18 renting, leasing or letting rooms during such preceding
19 calendar month;

20 (4) the total amount of rental receipts received by
21 the operator during the preceding calendar month from
22 renting, leasing or letting rooms to permanent residents
23 during such preceding calendar month;

24 (5) the total amount of other exclusions from gross
25 rental receipts allowed by this Act;

1 (6) gross rental receipts which were received by the
2 operator during the preceding calendar month and upon the
3 basis of which the tax is imposed;

4 (7) the amount of tax due; and

5 (8) such other reasonable information as the
6 Department may require.

7 If the operator's average monthly tax liability to the
8 Department does not exceed \$200, the Department may authorize
9 the operator's returns to be filed on a quarter annual basis,
10 with the return for January, February, and March of a given
11 year being due by April 30 of such year; with the return for
12 April, May, and June of a given year being due by July 31 of
13 such year; with the return for July, August, and September of a
14 given year being due by October 31 of such year, and with the
15 return for October, November, and December of a given year
16 being due by January 31 of the following year.

17 If the operator's average monthly tax liability to the
18 Department does not exceed \$50, the Department may authorize
19 the operator's returns to be filed on an annual basis, with the
20 return for a given year being due by January 31 of the
21 following year.

22 Such quarter annual and annual returns, as to form and
23 substance, shall be subject to the same requirements as
24 monthly returns.

25 Notwithstanding any other provision in this Act concerning
26 the time within which an operator may file his return, in the

1 case of any operator who ceases to engage in a kind of business
2 which makes the operator responsible for filing returns under
3 this Act, such operator shall file a final return under this
4 Act with the Department not more than 1 month after
5 discontinuing such business.

6 Where the same person has more than one business
7 registered with the Department under separate registrations
8 under this Act, such person shall not file each return that is
9 due as a single return covering all such registered
10 businesses, but shall file separate returns for each such
11 registered business.

12 In the operator's return, the operator shall determine the
13 value of any consideration other than money received by him in
14 connection with the renting, leasing, or letting of rooms in
15 the course of his business, and the operator shall include
16 such value in his return. Such determination shall be subject
17 to review and revision by the Department in the manner
18 provided in this Act for the correction of returns.

19 Where the operator is a corporation, the return filed on
20 behalf of such corporation shall be signed by the president,
21 vice-president, secretary or treasurer or by the properly
22 accredited agent of such corporation.

23 The person filing the return shall, at the time of filing
24 such return, pay to the Department the amount of tax herein
25 imposed. The operator filing the return under this Section
26 shall, at the time of filing such return, pay to the Department

1 the amount of tax imposed by this Act less a discount of 2.1%
2 or \$25 per calendar year, whichever is greater, which is
3 allowed to reimburse the operator for the expenses incurred in
4 keeping records, preparing and filing returns, remitting the
5 tax and supplying data to the Department on request.

6 If any payment provided for in this Section exceeds the
7 operator's liabilities under this Act, as shown on an original
8 return, the Department may authorize the operator to credit
9 such excess payment against liability subsequently to be
10 remitted to the Department under this Act, in accordance with
11 reasonable rules adopted by the Department. If the Department
12 subsequently determines that all or any part of the credit
13 taken was not actually due to the operator, the operator's
14 discount shall be reduced by an amount equal to the difference
15 between the discount as applied to the credit taken and that
16 actually due, and that operator shall be liable for penalties
17 and interest on such difference.

18 The proceeds collected from the tax under this Act shall
19 be deposited into the same funds and in the same manner as
20 proceeds are deposited under Section 6 of the Hotel Operators'
21 Occupation Tax Act.

22 The Department may, upon separate written notice to a
23 taxpayer, require the taxpayer to prepare and file with the
24 Department on a form prescribed by the Department within not
25 less than 60 days after receipt of the notice an annual
26 information return for the tax year specified in the notice.

1 Such annual return to the Department shall include a statement
2 of gross receipts as shown by the operator's last State income
3 tax return. If the total receipts of the business as reported
4 in the State income tax return do not agree with the gross
5 receipts reported to the Department for the same period, the
6 operator shall attach to his annual information return a
7 schedule showing a reconciliation of the 2 amounts and the
8 reasons for the difference. The operator's annual information
9 return to the Department shall also disclose pay roll
10 information of the operator's business during the year covered
11 by such return and any additional reasonable information which
12 the Department deems would be helpful in determining the
13 accuracy of the monthly, quarterly or annual tax returns by
14 such operator as hereinbefore provided for in this Section.

15 If the annual information return required by this Section
16 is not filed when and as required the taxpayer shall be liable
17 for a penalty in an amount determined in accordance with
18 Section 3-4 of the Uniform Penalty and Interest Act until such
19 return is filed as required, the penalty to be assessed and
20 collected in the same manner as any other penalty provided for
21 in this Act.

22 The chief executive officer, proprietor, owner or highest
23 ranking manager shall sign the annual return to certify the
24 accuracy of the information contained therein. Any person who
25 willfully signs the annual return containing false or
26 inaccurate information shall be guilty of perjury and punished

1 accordingly. The annual return form prescribed by the
2 Department shall include a warning that the person signing the
3 return may be liable for perjury.

4 The foregoing portion of this Section concerning the
5 filing of an annual information return shall not apply to an
6 operator who is not required to file an income tax return with
7 the United States Government.

8 Section 40. Incorporation of Retailers' Occupation Tax Act
9 and Uniform Penalty and Interest Act. All of the provisions of
10 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b,
11 6c, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act
12 and Section 3-7 of the Uniform Penalty and Interest Act shall
13 apply to persons in the business of renting, leasing or
14 letting short-term rental rooms in this State to the same
15 extent as if such provisions were included herein.

16 Section 45. Recordkeeping. When the amount due is under
17 \$300, any person engaged in the business of renting, leasing
18 or letting short-term rental rooms in this State, who fails to
19 make a return, or to keep books and records as required herein,
20 or who makes a fraudulent return, or who willfully violates
21 any rule or regulation of the Department for the
22 administration and enforcement of the provisions of this Act,
23 or any officer or agent of a corporation engaged in the
24 business of renting, leasing or letting short-term rental

1 rooms in this State, who signs a fraudulent return made on
2 behalf of such corporation, is guilty of a Class 4 felony.

3 Any person who violates any provision of this Act is
4 guilty of a Class 4 felony. Each and every day any such person
5 is engaged in business in violation of this Act shall
6 constitute a separate offense.

7 When the amount due is under \$300, any person who accepts
8 money that is due to the Department under this Act from a
9 taxpayer for the purpose of acting as the taxpayer's agent to
10 make the payment to the Department, but who fails to remit such
11 payment to the Department when due is guilty of a Class 4
12 felony. Any such person who purports to make such payment by
13 issuing or delivering a check or other order upon a real or
14 fictitious depository for the payment of money, knowing that
15 it will not be paid by the depository, shall be guilty of a
16 deceptive practice in violation of Section 17-1 of the
17 Criminal Code of 2012.

18 Any short-term rental operator who collects or attempts to
19 collect an amount (however designated) which purports to
20 reimburse such operator for a short-term rental operators'
21 occupation tax liability measured by receipts which such
22 operator knows are not subject to short-term rental operators'
23 occupation tax, or any short-term rental operator who
24 knowingly over-collects or attempts to over-collect an amount
25 purporting to reimburse such operator for short-term
26 operators' occupation tax liability in a transaction which is

1 subject to the tax that is imposed by this Act, shall be guilty
2 of a Class 4 felony.

3 When the amount due is \$300 or more, any person engaged in
4 the business of renting, leasing or letting short-term rental
5 rooms in this State, who fails to make a return, or to keep
6 books and records as required herein, or who makes a
7 fraudulent return, or who willfully violates any rule or
8 regulation of the Department for the administration and
9 enforcement of the provisions of this Act, or any officer or
10 agent of a corporation engaged in the business of renting,
11 leasing or letting short-term rental rooms in this State who
12 signs a fraudulent return made on behalf of such corporation
13 is guilty of a Class 3 felony.

14 When the amount due is \$300 or more, any person who accepts
15 money that is due to the Department under this Act from a
16 taxpayer for the purpose of acting as the taxpayer's agent to
17 make the payment to the Department, but who fails to remit such
18 payment to the Department is guilty of a Class 3 felony. Any
19 such person who purports to make such payment by issuing or
20 delivering a check or other order upon a real or fictitious
21 depository for the payment of money, knowing that it will not
22 be paid by the depository, shall be guilty of a deceptive
23 practice in violation of Section 17-1 of the Criminal Code of
24 2012.

25 A prosecution for any act in violation of this Section may
26 be commenced at any time within 3 years of the commission of

1 that act.

2 Section 50. Intergovernmental sharing of information. Any
3 information collected by the Department pursuant to this Act
4 shall not be subject to the Freedom of Information Act.
5 Information collected pursuant to this Act by the Department
6 may be shared with local units of government upon request,
7 provided that the information is treated as confidential at
8 all times by the local unit of government.

9 Section 55. Local regulation. A unit of local government
10 may adopt an ordinance or resolution regulating short-term
11 rental activities within that unit of local government that
12 imposes requirements not inconsistent with nor less stringent
13 than those imposed by this Act.

14 Section 60. Severability. If any provision of this Act, in
15 part or in full, or its application to any person, entity, or
16 circumstance is held invalid, the invalidity does not affect
17 other provisions or applications of the Act which can be given
18 effect without the invalid provision or application, and to
19 this end the provisions of this Act are severable.

20 Section 900. The Hotel Operators' Occupation Tax Act is
21 amended by changing Sections 2, 3, 4, 5, and 6 and by adding
22 Sections 3-2 and 3-3 as follows:

1 (35 ILCS 145/2) (from Ch. 120, par. 481b.32)

2 Sec. 2. Definitions. As used in this Act, unless the
3 context otherwise requires:

4 (1) "Hotel" means any building or buildings in which the
5 public may, for a consideration, obtain living quarters,
6 sleeping or housekeeping accommodations. The term includes,
7 but is not limited to, inns, motels, tourist homes or courts,
8 lodging houses, rooming houses and apartment houses, retreat
9 centers, conference centers, and hunting lodges.

10 (2) "Operator" means any person engaged in the business of
11 renting, leasing, or letting rooms in ~~operating~~ a hotel.
12 Operator also includes all re-renters of hotel rooms provided
13 that the re-renters of hotel rooms meet either of the
14 thresholds in subsection (a-5) of Section 3 of this Act.

15 (3) "Occupancy" means the use or possession, or the right
16 to the use or possession, of any room or rooms in a hotel for
17 any purpose, or the right to the use or possession of the
18 furnishings or to the services and accommodations accompanying
19 the use and possession of the room or rooms.

20 (4) "Room" or "rooms" means any living quarters, sleeping
21 or housekeeping accommodations.

22 (5) "Permanent resident" means any person who occupied or
23 has the right to occupy any room or rooms, regardless of
24 whether or not it is the same room or rooms, in a hotel for at
25 least 30 consecutive days.

1 (6) "Rent" or "rental" means the consideration received
2 for occupancy, valued in money, whether received in money or
3 otherwise, including all receipts, cash, credits and property
4 or services of any kind or nature. "Rent" or "rental" includes
5 any fee, charge, or commission received by a re-renter of
6 hotel rooms in connection with the re-rental of hotel rooms.

7 (7) "Department" means the Department of Revenue.

8 (8) "Person" means any natural individual, firm,
9 partnership, association, joint stock company, joint
10 adventure, public or private corporation, limited liability
11 company, or a receiver, executor, trustee, guardian or other
12 representative appointed by order of any court.

13 (9) "Re-renter of hotel rooms" means a person who obtains
14 from a hotel operator the right or authority to control the
15 access to, or occupancy of, a hotel room located in this State
16 and who resells the right to occupy that room.

17 (Source: P.A. 100-213, eff. 8-18-17.)

18 (35 ILCS 145/3) (from Ch. 120, par. 481b.33)

19 Sec. 3. Rate; exemptions.

20 (a) A tax is imposed upon hotel operators ~~persons engaged~~
21 ~~in the business of renting, leasing or letting rooms in a hotel~~
22 at the rate of 5% of 94% of the gross rental receipts from
23 engaging in business as a hotel operator ~~such renting, leasing~~
24 ~~or letting~~, excluding, however, from gross rental receipts,
25 the proceeds of ~~such~~ renting, leasing or letting hotel rooms

1 to permanent residents of a ~~that~~ hotel and proceeds from the
2 tax imposed under subsection (c) of Section 13 of the
3 Metropolitan Pier and Exposition Authority Act.

4 (a-5) Beginning on January 1, 2022, a re-renter of hotel
5 rooms who meets either of the following thresholds is
6 considered the hotel operator for each rental in this State:

7 (1)the cumulative gross receipts from rentals in
8 Illinois by the re-renter of hotel rooms are \$100,000 or
9 more; or

10 (2)the re-renter of hotel rooms cumulatively enters
11 into 200 or more separate transactions for rentals in
12 Illinois.

13 A re-renter of hotel rooms shall determine on a quarterly
14 basis, ending on the last day of March, June, September, and
15 December, whether he or she meets the threshold of either
16 paragraph (1) or (2) of this subsection (a-5) for the
17 preceding 12-month period. If the re-renter of hotel rooms
18 meets the threshold of either paragraph (1) or (2) for a
19 12-month period, he or she is subject to tax under this Act and
20 is required to remit the tax imposed under this Act and file
21 returns for the 12-month period beginning on the first day of
22 the next month after he or she determines that he or she meets
23 the threshold of paragraph (1) or (2). At the end of that
24 12-month period, the re-renter of hotel rooms shall determine
25 whether he or she continued to meet the threshold of either
26 paragraph (1) or (2) during the preceding 12-month period. If

1 he or she met the threshold in either paragraph (1) or (2) for
2 the preceding 12-month period, he or she is considered a hotel
3 operator in this State and is required to remit the tax imposed
4 under this Act and file returns for the subsequent 12-month
5 period. If, at the end of a 12-month period during which a
6 re-renter is required to remit the tax imposed under this Act,
7 the re-renter determines that he or she did not meet the
8 threshold in either paragraph (1) or (2) during the preceding
9 12-month period, he or she shall subsequently determine on a
10 quarterly basis, ending on the last day of March, June,
11 September, and December, whether he or she meets the threshold
12 of either paragraph (1) or (2) for the preceding 12-month
13 period.

14 (b) There shall be imposed an additional tax upon hotel
15 operators ~~persons engaged in the business of renting, leasing~~
16 ~~or letting rooms in a hotel~~ at the rate of 1% of 94% of the
17 gross rental receipts from engaging in the business as a hotel
18 operator ~~such renting, leasing or letting~~, excluding, however,
19 from gross rental receipts, the proceeds of such renting,
20 leasing or letting to permanent residents of that hotel and
21 proceeds from the tax imposed under subsection (c) of Section
22 13 of the Metropolitan Pier and Exposition Authority Act.

23 (c) No funds received pursuant to this Act shall be used to
24 advertise for or otherwise promote new competition in the
25 hotel business.

26 (d) However, such tax is not imposed upon the privilege of

1 engaging in any business in Interstate Commerce or otherwise,
2 which business may not, under the Constitution and Statutes of
3 the United States, be made the subject of taxation by this
4 State. In addition, the tax is not imposed upon gross rental
5 receipts for which the hotel operator is prohibited from
6 obtaining reimbursement for the tax from the customer by
7 reason of a federal treaty.

8 (d-5) On and after July 1, 2017, the tax imposed by this
9 Act shall not apply to gross rental receipts received by an
10 entity that is organized and operated exclusively for
11 religious purposes and possesses an active Exemption
12 Identification Number issued by the Department pursuant to the
13 Retailers' Occupation Tax Act when acting as a hotel operator
14 renting, leasing, or letting rooms:

15 (1) in furtherance of the purposes for which it is
16 organized; or

17 (2) to entities that (i) are organized and operated
18 exclusively for religious purposes, (ii) possess an active
19 Exemption Identification Number issued by the Department
20 pursuant to the Retailers' Occupation Tax Act, and (iii)
21 rent the rooms in furtherance of the purposes for which
22 they are organized.

23 No gross rental receipts are exempt under paragraph (2) of
24 this subsection (d-5) unless the hotel operator obtains the
25 active Exemption Identification Number from the exclusively
26 religious entity to whom it is renting and maintains that

1 number in its books and records. Gross rental receipts from
2 all rentals other than those described in items (1) or (2) of
3 this subsection (d-5) are subject to the tax imposed by this
4 Act unless otherwise exempt under this Act.

5 This subsection (d-5) is exempt from the sunset provisions
6 of Section 3-5 of this Act.

7 (e) Persons subject to the tax imposed by this Act may
8 reimburse themselves for their tax liability under this Act by
9 separately stating such tax as an additional charge, which
10 charge may be stated in combination, in a single amount, with
11 any tax imposed pursuant to Sections 8-3-13 and 8-3-14 of the
12 Illinois Municipal Code, and Section 25.05-10 of "An Act to
13 revise the law in relation to counties".

14 (f) If any hotel operator collects an amount (however
15 designated) which purports to reimburse such operator for
16 hotel operators' occupation tax liability measured by receipts
17 which are not subject to hotel operators' occupation tax, or
18 if any hotel operator, in collecting an amount (however
19 designated) which purports to reimburse such operator for
20 hotel operators' occupation tax liability measured by receipts
21 which are subject to tax under this Act, collects more from the
22 guest customer than the operators' hotel operators' occupation
23 tax liability in the transaction is, the guest customer shall
24 have a legal right to claim a refund of such amount from such
25 operator. However, if such amount is not refunded to the guest
26 customer for any reason, the hotel operator is liable to pay

1 such amount to the Department.

2 (Source: P.A. 100-213, eff. 8-18-17.)

3 (35 ILCS 145/3-2 new)

4 Sec. 3-2. No resale exemption; tax incurred by re-renters
5 of hotel rooms. A hotel operator who rents, leases, or lets
6 rooms subject to tax under this Act to a re-renter of hotel
7 rooms incurs the tax under this Act on the gross rental
8 receipts it receives from that re-renter of hotel rooms and
9 cannot claim any resale exemption. In such situations, the
10 re-renter of hotel rooms incurs tax under this Act on its gross
11 rental receipts as provided in Section 3 of this Act.

12 (35 ILCS 145/3-3 new)

13 Sec. 3-3. Re-renter of hotel rooms; credit for tax
14 reimbursement. A re-renter of hotel rooms may take a credit
15 against the tax it incurs on the rental of a hotel room under
16 this Act for the amount it paid under subsection (f) of Section
17 3 of this Act to a hotel operator as reimbursement for the tax
18 incurred under this Act for the rental of that room for the
19 purposes of re-rental.

20 (35 ILCS 145/4) (from Ch. 120, par. 481b.34)

21 Sec. 4. Books and records. Every operator shall keep
22 separate books or records of his business as an operator so as
23 to show the rents and occupancies taxable under this Act

1 separately from his transactions not taxable under this Act.
2 If any operator fails to keep such separate books or records,
3 he shall be liable to tax at the rate designated in Section 3
4 hereof upon the entire proceeds from his business ~~hotel~~. The
5 Department may adopt rules that establish requirements,
6 including record forms and formats, for records required to be
7 kept and maintained by taxpayers. For purposes of this
8 Section, "records" means all data maintained by the taxpayer,
9 including data on paper, microfilm, microfiche or any type of
10 machine-sensible data compilation.

11 (Source: P.A. 88-480.)

12 (35 ILCS 145/5) (from Ch. 120, par. 481b.35)

13 Sec. 5. Certificate of registration; retailers' occupation
14 tax registration provisions apply. It shall be unlawful for
15 any person to engage in ~~the~~ business as a hotel operator ~~of~~
16 ~~renting, leasing or letting rooms in a hotel~~ in this State
17 without a certificate of registration from the Department.

18 All of the provisions of Sections 2a and 2b of the
19 Retailers' Occupation Tax Act, in effect on the effective date
20 of this Act, as subsequently amended, shall apply to persons
21 in ~~the~~ business as hotel operators ~~of renting, leasing or~~
22 ~~letting rooms in a hotel~~ in this State, to the same extent as
23 if such provisions were included herein.

24 (Source: Laws 1961, p. 1728.)

1 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

2 Sec. 6. Returns; allocation of proceeds ~~Filing of returns~~
3 ~~and distribution of proceeds.~~

4 Except as provided hereinafter in this Section, on or
5 before the last day of each calendar month, every person
6 engaged as a hotel operator ~~in the business of renting,~~
7 ~~leasing or letting rooms in a hotel~~ in this State during the
8 preceding calendar month shall file a return with the
9 Department, stating:

10 1. The name of the operator;

11 2. His residence address and the address of his
12 principal place of business and the address of the
13 principal place of business (if that is a different
14 address) from which he engages in ~~the business as a hotel~~
15 operator ~~of renting, leasing or letting rooms in a hotel~~
16 in this State (including, if required by the Department,
17 the address of each hotel from which rental receipts were
18 received);

19 3. Total amount of rental receipts received by him
20 during the preceding calendar month from engaging in
21 business as a hotel operator ~~renting, leasing or letting~~
22 ~~rooms~~ during such preceding calendar month;

23 4. Total amount of rental receipts received by him
24 during the preceding calendar month from renting, leasing
25 or letting rooms to permanent residents during such
26 preceding calendar month;

1 5. Total amount of other exclusions from gross rental
2 receipts allowed by this Act;

3 6. Gross rental receipts which were received by him
4 during the preceding calendar month and upon the basis of
5 which the tax is imposed;

6 7. The amount of tax due;

7 8. Credit for any reimbursement of tax paid by a
8 re-renter of hotel rooms to hotel operators for rentals
9 purchased for re-rental, as provided in Section 3-3 of
10 this Act;

11 9. ~~8.~~ Such other reasonable information as the
12 Department may require.

13 If the operator's average monthly tax liability to the
14 Department does not exceed \$200, the Department may authorize
15 his returns to be filed on a quarter annual basis, with the
16 return for January, February and March of a given year being
17 due by April 30 of such year; with the return for April, May
18 and June of a given year being due by July 31 of such year;
19 with the return for July, August and September of a given year
20 being due by October 31 of such year, and with the return for
21 October, November and December of a given year being due by
22 January 31 of the following year.

23 If the operator's average monthly tax liability to the
24 Department does not exceed \$50, the Department may authorize
25 his returns to be filed on an annual basis, with the return for
26 a given year being due by January 31 of the following year.

1 Such quarter annual and annual returns, as to form and
2 substance, shall be subject to the same requirements as
3 monthly returns.

4 Notwithstanding any other provision in this Act concerning
5 the time within which an operator may file his return, in the
6 case of any operator who ceases to engage in a kind of business
7 which makes him responsible for filing returns under this Act,
8 such operator shall file a final return under this Act with the
9 Department not more than 1 month after discontinuing such
10 business.

11 Where the same person has more than 1 business registered
12 with the Department under separate registrations under this
13 Act, such person shall not file each return that is due as a
14 single return covering all such registered businesses, but
15 shall file separate returns for each such registered business.

16 In his return, the operator shall determine the value of
17 any consideration other than money received by him in
18 connection with engaging in business as a hotel operator ~~the~~
19 ~~renting, leasing or letting of rooms in the course of his~~
20 ~~business~~ and he shall include such value in his return. Such
21 determination shall be subject to review and revision by the
22 Department in the manner hereinafter provided for the
23 correction of returns.

24 Where the operator is a corporation, the return filed on
25 behalf of such corporation shall be signed by the president,
26 vice-president, secretary or treasurer or by the properly

1 accredited agent of such corporation.

2 The person filing the return herein provided for shall, at
3 the time of filing such return, pay to the Department the
4 amount of tax herein imposed. The operator filing the return
5 under this Section shall, at the time of filing such return,
6 pay to the Department the amount of tax imposed by this Act
7 less a discount of 2.1% or \$25 per calendar year, whichever is
8 greater, which is allowed to reimburse the operator for the
9 expenses incurred in keeping records, preparing and filing
10 returns, remitting the tax and supplying data to the
11 Department on request.

12 If any payment provided for in this Section exceeds the
13 operator's liabilities under this Act, as shown on an original
14 return, the Department may authorize the operator to credit
15 such excess payment against liability subsequently to be
16 remitted to the Department under this Act, in accordance with
17 reasonable rules adopted by the Department. If the Department
18 subsequently determines that all or any part of the credit
19 taken was not actually due to the operator, the operator's
20 discount shall be reduced by an amount equal to the difference
21 between the discount as applied to the credit taken and that
22 actually due, and that operator shall be liable for penalties
23 and interest on such difference.

24 There shall be deposited in the Build Illinois Fund in the
25 State Treasury for each State fiscal year 40% of the amount of
26 total net proceeds from the tax imposed by subsection (a) of

1 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited
2 in the Illinois Sports Facilities Fund and credited to the
3 Subsidy Account each fiscal year by making monthly deposits in
4 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies
5 in such deposits for prior months, and an additional
6 \$8,000,000 shall be deposited in the Illinois Sports
7 Facilities Fund and credited to the Advance Account each
8 fiscal year by making monthly deposits in the amount of 1/8 of
9 \$8,000,000 plus any cumulative deficiencies in such deposits
10 for prior months; provided, that for fiscal years ending after
11 June 30, 2001, the amount to be so deposited into the Illinois
12 Sports Facilities Fund and credited to the Advance Account
13 each fiscal year shall be increased from \$8,000,000 to the
14 then applicable Advance Amount and the required monthly
15 deposits beginning with July 2001 shall be in the amount of 1/8
16 of the then applicable Advance Amount plus any cumulative
17 deficiencies in those deposits for prior months. (The deposits
18 of the additional \$8,000,000 or the then applicable Advance
19 Amount, as applicable, during each fiscal year shall be
20 treated as advances of funds to the Illinois Sports Facilities
21 Authority for its corporate purposes to the extent paid to the
22 Authority or its trustee and shall be repaid into the General
23 Revenue Fund in the State Treasury by the State Treasurer on
24 behalf of the Authority pursuant to Section 19 of the Illinois
25 Sports Facilities Authority Act, as amended. If in any fiscal
26 year the full amount of the then applicable Advance Amount is

1 not repaid into the General Revenue Fund, then the deficiency
2 shall be paid from the amount in the Local Government
3 Distributive Fund that would otherwise be allocated to the
4 City of Chicago under the State Revenue Sharing Act.)

5 For purposes of the foregoing paragraph, the term "Advance
6 Amount" means, for fiscal year 2002, \$22,179,000, and for
7 subsequent fiscal years through fiscal year 2032, 105.615% of
8 the Advance Amount for the immediately preceding fiscal year,
9 rounded up to the nearest \$1,000.

10 Of the remaining 60% of the amount of total net proceeds
11 prior to August 1, 2011 from the tax imposed by subsection (a)
12 of Section 3 after all required deposits in the Illinois
13 Sports Facilities Fund, the amount equal to 8% of the net
14 revenue realized from this Act plus an amount equal to 8% of
15 the net revenue realized from any tax imposed under Section
16 4.05 of the Chicago World's Fair-1992 Authority Act during the
17 preceding month shall be deposited in the Local Tourism Fund
18 each month for purposes authorized by Section 605-705 of the
19 Department of Commerce and Economic Opportunity Law (20 ILCS
20 605/605-705). Of the remaining 60% of the amount of total net
21 proceeds beginning on August 1, 2011 from the tax imposed by
22 subsection (a) of Section 3 after all required deposits in the
23 Illinois Sports Facilities Fund, an amount equal to 8% of the
24 net revenue realized from this Act plus an amount equal to 8%
25 of the net revenue realized from any tax imposed under Section
26 4.05 of the Chicago World's Fair-1992 Authority Act during the

1 preceding month shall be deposited as follows: 18% of such
2 amount shall be deposited into the Chicago Travel Industry
3 Promotion Fund for the purposes described in subsection (n) of
4 Section 5 of the Metropolitan Pier and Exposition Authority
5 Act and the remaining 82% of such amount shall be deposited
6 into the Local Tourism Fund each month for purposes authorized
7 by Section 605-705 of the Department of Commerce and Economic
8 Opportunity Law. Beginning on August 1, 1999 and ending on
9 July 31, 2011, an amount equal to 4.5% of the net revenue
10 realized from the Hotel Operators' Occupation Tax Act during
11 the preceding month shall be deposited into the International
12 Tourism Fund for the purposes authorized in Section 605-707 of
13 the Department of Commerce and Economic Opportunity Law.
14 Beginning on August 1, 2011, an amount equal to 4.5% of the net
15 revenue realized from this Act during the preceding month
16 shall be deposited as follows: 55% of such amount shall be
17 deposited into the Chicago Travel Industry Promotion Fund for
18 the purposes described in subsection (n) of Section 5 of the
19 Metropolitan Pier and Exposition Authority Act and the
20 remaining 45% of such amount deposited into the International
21 Tourism Fund for the purposes authorized in Section 605-707 of
22 the Department of Commerce and Economic Opportunity Law. "Net
23 revenue realized for a month" means the revenue collected by
24 the State under that Act during the previous month less the
25 amount paid out during that same month as refunds to taxpayers
26 for overpayment of liability under that Act.

1 After making all these deposits, all other proceeds of the
2 tax imposed under subsection (a) of Section 3 shall be
3 deposited in the Tourism Promotion Fund in the State Treasury.
4 All moneys received by the Department from the additional tax
5 imposed under subsection (b) of Section 3 shall be deposited
6 into the Build Illinois Fund in the State Treasury.

7 The Department may, upon separate written notice to a
8 taxpayer, require the taxpayer to prepare and file with the
9 Department on a form prescribed by the Department within not
10 less than 60 days after receipt of the notice an annual
11 information return for the tax year specified in the notice.
12 Such annual return to the Department shall include a statement
13 of gross receipts as shown by the operator's last State income
14 tax return. If the total receipts of the business as reported
15 in the State income tax return do not agree with the gross
16 receipts reported to the Department for the same period, the
17 operator shall attach to his annual information return a
18 schedule showing a reconciliation of the 2 amounts and the
19 reasons for the difference. The operator's annual information
20 return to the Department shall also disclose pay roll
21 information of the operator's business during the year covered
22 by such return and any additional reasonable information which
23 the Department deems would be helpful in determining the
24 accuracy of the monthly, quarterly or annual tax returns by
25 such operator as hereinbefore provided for in this Section.

26 If the annual information return required by this Section

1 is not filed when and as required the taxpayer shall be liable
2 for a penalty in an amount determined in accordance with
3 Section 3-4 of the Uniform Penalty and Interest Act until such
4 return is filed as required, the penalty to be assessed and
5 collected in the same manner as any other penalty provided for
6 in this Act.

7 The chief executive officer, proprietor, owner or highest
8 ranking manager shall sign the annual return to certify the
9 accuracy of the information contained therein. Any person who
10 willfully signs the annual return containing false or
11 inaccurate information shall be guilty of perjury and punished
12 accordingly. The annual return form prescribed by the
13 Department shall include a warning that the person signing the
14 return may be liable for perjury.

15 The foregoing portion of this Section concerning the
16 filing of an annual information return shall not apply to an
17 operator who is not required to file an income tax return with
18 the United States Government.

19 (Source: P.A. 100-23, eff. 7-6-17; 100-1171, eff. 1-4-19.)

20 Section 905. The Illinois Municipal Code is amended by
21 changing Sections 8-3-13, 8-3-14, and 8-3-14a as follows:

22 (65 ILCS 5/8-3-13) (from Ch. 24, par. 8-3-13)

23 Sec. 8-3-13. The corporate authorities of any municipality
24 containing 500,000 or more inhabitants may impose a tax prior

1 to July 1, 1969, upon all persons engaged in the municipality
2 in the business of renting, leasing or letting rooms in a
3 hotel, as defined in the Hotel Operators' Occupation Tax Act,
4 or a short-term rental, as defined in the Short-Term Rental
5 Operators' Occupation Tax Act, at a rate not to exceed 1% of
6 the gross rental receipts from the renting, leasing or
7 letting, excluding, however, from gross rental receipts, the
8 proceeds of the renting, leasing or letting to permanent
9 residents of that hotel or short-term rental and proceeds from
10 the tax imposed under subsection (c) of Section 13 of the
11 Metropolitan Pier and Exposition Authority Act.

12 The tax imposed by a municipality under this Section and
13 all civil penalties that may be assessed as an incident
14 thereof shall be collected and enforced by the State
15 Department of Revenue. The certificate of registration that is
16 issued by the Department to a lessor under the Hotel
17 Operators' Occupation Tax Act, or a business license issued by
18 the Department under the Short-Term Rental Operators' Act
19 shall permit the registrant to engage in a business that is
20 taxable under any ordinance or resolution enacted under this
21 Section without registering separately with the Department
22 under the ordinance or resolution or under this Section. The
23 Department shall have full power to administer and enforce
24 this Section; to collect all taxes and penalties due
25 hereunder; to dispose of taxes and penalties so collected in
26 the manner provided in this Section; and to determine all

1 rights to credit memoranda arising on account of the erroneous
2 payment of tax or penalty hereunder. In the administration of
3 and compliance with this Section, the Department and persons
4 who are subject to this Section shall have the same rights,
5 remedies, privileges, immunities, powers and duties, and be
6 subject to the same conditions, restrictions, limitations,
7 penalties and definitions of terms, and employ the same modes
8 of procedure, as are prescribed in the Hotel Operators'
9 Occupation Tax Act, the Short-Term Rental Operators'
10 Occupation Tax Act, and the Uniform Penalty and Interest Act,
11 as fully as if the provisions contained in those Acts were set
12 forth herein.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the warrant to be drawn for the
17 amount specified, and to the person named, in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the Illinois tourism tax fund.

20 Persons subject to any tax imposed under authority granted
21 by this Section may reimburse themselves for their tax
22 liability for that tax by separately stating the tax as an
23 additional charge, which charge may be stated in combination,
24 in a single amount, with State tax imposed under the Hotel
25 Operators' Occupation Tax Act or the Short-Term Rental
26 Operators' Occupation Tax Act.

1 The Department shall forthwith pay over to the State
2 Treasurer, ex-officio, as trustee, all taxes and penalties
3 collected hereunder. On or before the 25th day of each
4 calendar month, the Department shall prepare and certify to
5 the Comptroller the disbursement of stated sums of money to
6 named municipalities from which lessors have paid taxes or
7 penalties hereunder to the Department during the second
8 preceding calendar month. The amount to be paid to each
9 municipality shall be the amount (not including credit
10 memoranda) collected hereunder during the second preceding
11 calendar month by the Department, and not including an amount
12 equal to the amount of refunds made during the second
13 preceding calendar month by the Department on behalf of the
14 municipality, less 4% of the balance, which sum shall be
15 retained by the State Treasurer to cover the costs incurred by
16 the Department in administering and enforcing the provisions
17 of this Section, as provided herein. The Department, at the
18 time of each monthly disbursement to the municipalities, shall
19 prepare and certify to the Comptroller the amount so retained
20 by the State Treasurer, which shall be paid into the General
21 Revenue Fund of the State Treasury.

22 Within 10 days after receipt by the Comptroller of the
23 disbursement certification to the municipalities and the
24 General Revenue Fund provided for in this Section to be given
25 to the Comptroller by the Department, the Comptroller shall
26 cause the warrants to be drawn for the respective amounts in

1 accordance with the directions contained in the certification.

2 Nothing in this Section shall be construed to authorize a
3 municipality to impose a tax upon the privilege of engaging in
4 any business that, under the Constitution of the United
5 States, may not be made the subject of taxation by this State.

6 An ordinance or resolution imposing a tax hereunder or
7 effecting a change in the rate thereof shall be effective on
8 the first day of the calendar month next following the
9 expiration of the publication period provided in Section 1-2-4
10 in respect to municipalities governed by that Section.

11 The corporate authorities of any municipality that levies
12 a tax authorized by this Section shall transmit to the
13 Department of Revenue on or not later than 5 days after the
14 effective date of the ordinance or resolution a certified copy
15 of the ordinance or resolution imposing the tax; whereupon,
16 the Department of Revenue shall proceed to administer and
17 enforce this Section on behalf of the municipality as of the
18 effective date of the ordinance or resolution. Upon a change
19 in rate of a tax levied hereunder, or upon the discontinuance
20 of the tax, the corporate authorities of the municipality
21 shall, on or not later than 5 days after the effective date of
22 the ordinance or resolution discontinuing the tax or effecting
23 a change in rate, transmit to the Department of Revenue a
24 certified copy of the ordinance or resolution effecting the
25 change or discontinuance. The amounts disbursed to any
26 municipality under this Section shall be expended by the

1 municipality solely to promote tourism, conventions and other
2 special events within that municipality or otherwise to
3 attract nonresidents to visit the municipality.

4 Any municipality receiving and disbursing money under this
5 Section shall report on or before the first Monday in January
6 of each year to the Advisory Committee of the Illinois Tourism
7 Promotion Fund, created by Section 12 of the Illinois
8 Promotion Act. The reports shall specify the purposes for
9 which the disbursements were made and shall contain detailed
10 amounts of all receipts and disbursements under this Section.

11 This Section may be cited as the Tourism, Conventions and
12 Other Special Events Promotion Act of 1967.

13 (Source: P.A. 87-205; 87-733; 87-895.)

14 (65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

15 Sec. 8-3-14. Municipal hotel and short-term rental
16 operators' occupation tax. The corporate authorities of any
17 municipality may impose a tax upon all persons engaged in such
18 municipality in the business of renting, leasing or letting
19 rooms in a hotel, as defined in "The Hotel Operators'
20 Occupation Tax Act," or a short-term rental, as defined in the
21 Short-Term Rental Operators' Occupation Tax Act, at a rate not
22 to exceed 6% in the City of East Peoria and in the Village of
23 Morton and 5% in all other municipalities of the gross rental
24 receipts from such renting, leasing or letting, excluding,
25 however, from gross rental receipts, the proceeds of such

1 renting, leasing or letting to permanent residents of that
2 hotel or short-term rental and proceeds from the tax imposed
3 under subsection (c) of Section 13 of the Metropolitan Pier
4 and Exposition Authority Act, and may provide for the
5 administration and enforcement of the tax, and for the
6 collection thereof from the persons subject to the tax, as the
7 corporate authorities determine to be necessary or practicable
8 for the effective administration of the tax. The municipality
9 may not impose a tax under this Section if it imposes a tax
10 under Section 8-3-14a.

11 Persons subject to any tax imposed pursuant to authority
12 granted by this Section may reimburse themselves for their tax
13 liability for such tax by separately stating such tax as an
14 additional charge, which charge may be stated in combination,
15 in a single amount, with State tax imposed under "The Hotel
16 Operators' Occupation Tax Act" or the Short-Term Rental
17 Operators' Occupation Tax Act.

18 Nothing in this Section shall be construed to authorize a
19 municipality to impose a tax upon the privilege of engaging in
20 any business which under the constitution of the United States
21 may not be made the subject of taxation by this State.

22 Except as otherwise provided in this Division, the amounts
23 collected by any municipality pursuant to this Section shall
24 be expended by the municipality solely to promote tourism and
25 conventions within that municipality or otherwise to attract
26 nonresident overnight visitors to the municipality.

1 No funds received pursuant to this Section shall be used
2 to advertise for or otherwise promote new competition in the
3 hotel business.

4 (Source: P.A. 101-204, eff. 8-2-19.)

5 (65 ILCS 5/8-3-14a)

6 Sec. 8-3-14a. Municipal hotel or short-term rental use
7 tax.

8 (a) The corporate authorities of any municipality may
9 impose a tax upon the privilege of renting or leasing rooms in
10 a hotel or short-term rental within the municipality at a rate
11 not to exceed 5% of the rental or lease payment. The corporate
12 authorities may provide for the administration and enforcement
13 of the tax and for the collection thereof from the persons
14 subject to the tax, as the corporate authorities determine to
15 be necessary or practical for the effective administration of
16 the tax.

17 (b) Each hotel, short-term rental operator, or hosting
18 platform acting as an agent for the short-term rental operator
19 in the municipality shall collect the tax from the person
20 making the rental or lease payment at the time that the payment
21 is tendered to the hotel. The hotel shall, as trustee, remit
22 the tax to the municipality.

23 (c) The tax authorized under this Section does not apply
24 to any rental or lease payment by a permanent resident of that
25 hotel or short-term rental or to any payment made to any hotel

1 that is subject to the tax imposed under subsection (c) of
2 Section 13 of the Metropolitan Pier and Exposition Authority
3 Act. A municipality may not impose a tax under this Section if
4 it imposes a tax under Section 8-3-14. Nothing in this Section
5 may be construed to authorize a municipality to impose a tax
6 upon the privilege of engaging in any business that under the
7 Constitution of the United States may not be made the subject
8 of taxation by this State.

9 (d) Except as otherwise provided in this Division, the
10 moneys collected by a municipality under this Section may be
11 expended solely to promote tourism and conventions within that
12 municipality or otherwise to attract nonresident overnight
13 visitors to the municipality. No moneys received under this
14 Section may be used to advertise for or otherwise promote new
15 competition in the hotel business.

16 (e) As used in this Section, "hotel" has the meaning set
17 forth in Section 2 of the Hotel Operators' Occupation Tax Act.

18 (f) As used in this Section, "short-term rental" and
19 "hosting platform" have the meaning set forth in Section 2 of
20 the Short-Term Rental Operators' Occupation Tax Act.

21 (Source: P.A. 101-204, eff. 8-2-19.)

22 Section 910. The Counties Code is amended by changing
23 Section 5-1030 as follows:

24 (55 ILCS 5/5-1030) (from Ch. 34, par. 5-1030)

1 Sec. 5-1030. Hotel rooms, short-term rentals, tax on gross
2 rental receipts.

3 (a) The corporate authorities of any county may by
4 ordinance impose a tax upon all persons engaged in such county
5 in the business of renting, leasing or letting rooms in a hotel
6 or short-term rental which is not located within a city,
7 village, or incorporated town that imposes a tax under Section
8 8-3-14 of the Illinois Municipal Code, as defined in "The
9 Hotel Operators' Occupation Tax Act or the Short-Term Rental
10 Operators' Occupation Tax Act", at a rate not to exceed 5% of
11 the gross rental receipts from such renting, leasing or
12 letting, excluding, however, from gross rental receipts, the
13 proceeds of such renting, leasing or letting to permanent
14 residents of that hotel or short-term rental, and may provide
15 for the administration and enforcement of the tax, and for the
16 collection thereof from the persons subject to the tax, as the
17 corporate authorities determine to be necessary or practicable
18 for the effective administration of the tax.

19 (b) With the consent of municipalities representing at
20 least 67% of the population of Winnebago County, as determined
21 by the 2010 federal decennial census and as expressed by
22 resolution of the corporate authorities of those
23 municipalities, the county board of Winnebago County may, by
24 ordinance, impose a tax upon all persons engaged in the county
25 in the business of renting, leasing, or letting rooms in a
26 hotel or short-term rental that imposes a tax under Section

1 8-3-14 of the Illinois Municipal Code, as defined in "The
2 Hotel Operators' Occupation Tax Act" or the Short-Term Rental
3 Operators' Occupation Tax Act, at a rate not to exceed 2% of
4 the gross rental receipts from renting, leasing, or letting,
5 excluding, however, from gross rental receipts, the proceeds
6 of the renting, leasing, or letting to permanent residents of
7 that hotel or short-term rental, and may provide for the
8 administration and enforcement of the tax, and for the
9 collection thereof from the persons subject to the tax, as the
10 county board determines to be necessary or practicable for the
11 effective administration of the tax. The tax shall be
12 instituted on a county-wide basis and shall be in addition to
13 any tax imposed by this or any other provision of law. The
14 revenue generated under this subsection shall be accounted for
15 and segregated from all other funds of the county and shall be
16 utilized solely for either: (1) encouraging, supporting,
17 marketing, constructing, or operating, either directly by the
18 county or through other taxing bodies within the county,
19 sports, arts, or other entertainment or tourism facilities or
20 programs for the purpose of promoting tourism,
21 competitiveness, job growth, and for the general health and
22 well-being of the citizens of the county; or (2) payment
23 towards debt services on bonds issued for the purposes set
24 forth in this subsection.

25 (c) A Tourism Facility Board shall be established,
26 comprised of a representative from the county and from each

1 municipality that has approved the imposition of the tax under
2 subsection (b) of this Section.

3 (1) A Board member's vote is weighted based on the
4 municipality's population relative to the population of
5 the county, with the county representing the population
6 within unincorporated areas of the county. Representatives
7 from the Rockford Park District and Rockford Area
8 Convention and Visitors Bureau shall serve as ex-officio
9 members with no voting rights.

10 (2) The Board must meet not less frequently than once
11 per year to direct the use of revenues collected from the
12 tax imposed under subsection (b) of this Section that are
13 not already directed for use pursuant to an
14 intergovernmental agreement between the county and another
15 entity represented on the Board, including the ex-officio
16 members, and for any other reason the Board deems
17 necessary. Affirmative actions of the Board shall require
18 a weighted vote of Board members representing not less
19 than 67% of the population of the county.

20 (3) The Board shall not be a separate unit of local
21 government, shall have no paid staff, and members of the
22 Board shall receive no compensation or reimbursement of
23 expenses from proceeds of the tax imposed under subsection
24 (b) of this Section.

25 (d) Persons subject to any tax imposed pursuant to
26 authority granted by this Section may reimburse themselves for

1 their tax liability for such tax by separately stating such
2 tax as an additional charge, which charge may be stated in
3 combination, in a single amount, with State tax imposed under
4 "The Hotel Operators' Occupation Tax Act" or the Short-Term
5 Rental Operators' Occupation Tax Act.

6 Nothing in this Section shall be construed to authorize a
7 county to impose a tax upon the privilege of engaging in any
8 business which under the Constitution of the United States may
9 not be made the subject of taxation by this State.

10 An ordinance or resolution imposing a tax hereunder or
11 effecting a change in the rate thereof shall be effective on
12 the first day of the calendar month next following its passage
13 and required publication.

14 The amounts collected by any county pursuant to this
15 Section shall be expended to promote tourism; conventions;
16 expositions; theatrical, sports and cultural activities within
17 that county or otherwise to attract nonresident overnight
18 visitors to the county.

19 Any county may agree with any unit of local government,
20 including any authority defined as a metropolitan exposition,
21 auditorium and office building authority, fair and exposition
22 authority, exposition and auditorium authority, or civic
23 center authority created pursuant to provisions of Illinois
24 law and the territory of which unit of local government or
25 authority is co-extensive with or wholly within such county,
26 to impose and collect for a period not to exceed 40 years, any

1 portion or all of the tax authorized pursuant to this Section
2 and to transmit such tax so collected to such unit of local
3 government or authority. The amount so paid shall be expended
4 by any such unit of local government or authority for the
5 purposes for which such tax is authorized. Any such agreement
6 must be authorized by resolution or ordinance, as the case may
7 be, of such county and unit of local government or authority,
8 and such agreement may provide for the irrevocable imposition
9 and collection of said tax at such rate, or amount as limited
10 by a given rate, as may be agreed upon for the full period of
11 time set forth in such agreement; and such agreement may
12 further provide for any other terms as deemed necessary or
13 advisable by such county and such unit of local government or
14 authority. Any such agreement shall be binding and enforceable
15 by either party to such agreement. Such agreement entered into
16 pursuant to this Section shall not in any event constitute an
17 indebtedness of such county subject to any limitation imposed
18 by statute or otherwise.

19 (Source: P.A. 98-313, eff. 8-12-13.)

20 Section 99. Effective date. This Act takes effect October
21 1, 2021.